

KHPA Fact Sheet – SCHIP Expansion

Expand SCHIP Eligibility from 200% to 250% of 2008 FPL



Summary:

- The SCHIP expansion funded in the FY 2010 budget will lead to affordable health coverage for more than 9,000 uninsured children in Kansas.
- The expansion will impose additional administrative costs on KHPA, adding to the workload that is already growing due to the economic downturn.
- The same budget bill that funds the expansion also makes deep cuts to KHPA's administrative budget. Those cuts will result in longer delays in processing applications for benefits.

Background: The State Children's Health Insurance Program (SCHIP) in Kansas currently covers uninsured children up to 200% of the federal poverty level. In February 2009, more than 39,000 children enrolled in SCHIP.

In 2008, Kansas authorized expanding eligibility up to 225% of FPL beginning Jan. 1, 2009, and then to 250% of FPL beginning Jan. 1, 2010. The expansion was subject to additional federal funding becoming available and additional state appropriation. To date, that expansion has not been implemented.

In February 2009, Congress passed, and President Obama signed a bill making that additional federal money available.

In March 2009, Kansas lawmakers passed S. Sub. for H.B. 2373 (the "mega appropriations bill") that includes \$1.2 million in state tobacco settlement funds to pay for expanding SCHIP to 250% of the 2008 FPL beginning Jan. 1, 2010.

Expansion Details:

- **Income Limits:** Frozen at 2008 Federal Poverty Guidelines (see chart at left)
- **No Private Insurance:** Applicants must demonstrate they have not had private insurance for at least the last eight months
- **Family Premiums:** 200-225% FPL = \$50/family/month; >225% to 250% FPL = \$75/family/month
- **Effective Date:** Jan. 1, 2010

SCHIP Expansion Income Limits		
Family Size	2008 FPL	SCHIP Limit (250% FPL)
1	\$10,400	\$26,000
2	\$14,000	\$35,000
3	\$17,600	\$44,000
4	\$21,200	\$53,000
5	\$24,800	\$62,000
6	\$28,400	\$71,000
For Each Additional Person, add ...	\$3,600	\$9,000

Projected Enrollment:

- Recent increases in unemployment complicate efforts to estimate how many children will ultimately be eligible for SCHIP.
- Potential eligible population is based on Kansas Health Institute estimates of uninsured children published in 2008, adjusted for recent increase in unemployment rate.
- The estimate also assumes currently insured children (20% of the expected enrollment) will become eligible due to "crowd out," which refers to people choosing to drop private insurance in favor of SCHIP coverage.

Estimated new enrollment due to expansion to 250% FPL		
Year	Children	Cumulative Total
SFY 2010	4,606	4,606
SFY 2011	3,300	7,906
SFY 2012	1,140	9,046
SFY 2013	286	9,332

Projected Costs:

- The SCHIP expansion would be funded with a combination of federal funds, state funds and premiums charged to beneficiaries.
- State funds for FY 2010 are proposed to come from tobacco settlement funds.

Anticipated Revenues - SFY 2010- 2011		
	SFY 2010	SFY 2011
State Funds	\$1,200,000	\$4,000,000
Premiums	\$517,959	\$2,236,168
Federal	\$2,100,000	\$7,100,000
Total	\$3,817,959	\$13,336,168